- Sharing of profit petroleum based on pre-tax investment multiple achieved by the contractor.
- Royalty for onland areas payable at the rate of 12.5% for crude oil and 10% for natural gas. For offshore areas, royalty payable at the rate of 10% for oil and natural gas.

(c) Exploration period is 7 years for onland and shallow water blocks and 8 years for onland frontier and deepwater blocks after award of Petroleum Exploration License (PEL) in respective blocks.

Oil/Gas exploration in KG Basin

1581. SHRI C. RAMACHANDRAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether ONGC propose to set up refinery projects and SEZ in the KG Basin region;

(b) if so, the details thereof; and

(c) the details of gas/oil bearing blocks in the basin explored so far, number of blocks that would come under exploration in the next three years, public and private companies involved in exploration, the revenue sharing mechanism with the State of Andhra Pradesh and gas/oil and revenue provided to the State in the last three years and the unpaid arrears, if any?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) Oil Natural Gas Corporation (ONGC) is exploring the feasibility of setting up of an export oriented refinery at Kakinada in Andhra Pradesh through its subsidiary, Mangalore Refinery and Petrochemicals Limited (MRPL). In order to facilitate creation of necessary infrastructure for setting up of refinery and exploration of gas reserves in KG basin and avail the fiscal benefits of locating units in Special Economic Zones (SEZs), MRPL is also examining the feasibility of setting up of a SEZ at Kakinada in Andhra Pradesh.

Two Special Purpose Vehicles namely "Kakinada Special Economic Zone Limited (KSEZ)" and "Kakinada Refinery and Petrochemicals Limited (KRPL)" have been incorporated.

(c) Oil & Natural Gas Corporation (ONGC) is carrying out exploratory activities in two blocks in KG Basin onland awarded through nomination basis and one block under New Exploration Licensing Policy (NELP).

Government of India has awarded two exploration blocks to Oil India Limited (OIL), and Gujarat State Petroleum Corporation Limited (GSPC) in Andhra Pradesh in the 6th round of NELP. In addition, Government of India has awarded 18 exploration blocks under NELP falling in offshore areas including deep water. Details are as under:—

Round	Name of the block	Operating companies
NELP-I	KG-DWN-98/1	RIL*
	KG-DWN-98/2	ONGC
	KG-DWN-98/3	RIL
	KG-DWN-98/4	ONGC
	KG-DWN-98/5	ONGC
NELP-III	KG-DWN-2001/1	RIL
	KG-OSN-2001/1	RIL
	KG-OSN-2001/2	RIL
	KG-OSN-2001/3	GSPC
NELP-IV	KG-DWN-2002/1	ONGC
NELP-V	KG-DWN-2003/1	RIL
NELP-VI	KG-DWN-2004/1	ONGC
	KG-DWN-2004/2	ONGC
	KG-DWN-2004/3	ONGC
	KG-DWN-2004/5	ONGC
	KG-DWN-2004/6	ONGC
	KG-DWN-2004/7	RIL
	KG-OSN-2004/1	ONGC

*Reliance Industries Limited.

In the event of commercial production under onland NELP blocks, 50% profit petroleum will be shared with State Government in addition to royalty on oil and gas production.

The amount of royalty and sales tax/VAT paid to Andhra Pradesh Government by ONGC during the last three years is as under:—

(Rs. in crore)

Year	Royalty & Sales Tax/Vat
2003-04	191.36
2004-05	197.47
2005-06	290.03

There are no unpaid arrears of royalty and sales tax/VAT to Andhra Pradesh Government.

Price-Cut of ATF

1582. SHRI DHARAM PAL SABHARWAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that various oil companies will cut Aviation Turbine Fuel (ATF) price by about 5 per cent from March 1, 2007;

(b) if so, the details thereof;

(c) the price of ATF being charged by various oil companies at present; and

(d) the details of price-cut of ATF during the last two years?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) ATF is a deregulated product. The public sector oil marketing companies (OMCs) have informed that ATF price revisions are determined by them based on international prices of Jet Kero during previous month. Revision in price are made on a monthly basis, either upwards or downwards depending on international price fluctuation.

(c) The basic price of ATF charged by PSU OMCs at Mumbai is reported to be Rs. 23,780/KL excluding duties and taxes.

(d) The details of price changes as reported by IOCL/HPCL during the last two years are given in the Statement.